2ND QUARTER FISCAL YEAR 2001 HIGHLIGHTS

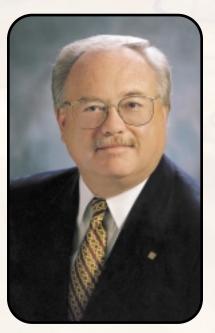
- Moved dispersible mixed waste and processing equipment out of the 324 Building's B Cell.
- Shipped to Ohio half the excess uranium billets slated to leave Hanford.
- Removed five more loads of spent nuclear fuel from the K-West Basin, taking 750,000 curies of radioactivity away from the Columbia River shore.
- Repackaged Rocky Flats ash material at the Plutonium Finishing Plant, finishing the job a month early.
- Have stabilized more than 10% of PFP's plutonium solutions to date, using methods proven through our collaboration with the Pacific Northwest National Laboratory.
- Treated 840,000 gallons of tank wastes, reducing the volume by a factor of 81% in processing at the 242-A Evaporator.
- Completed another shipment of transuranic waste to the Waste Isolation Pilot Plant.
- Helping DOE rebaseline for deactivation of the Fast Flux Test Facility.

These are just some of the indicators that our cleanup progress continued on all fronts this past quarter. Other concrete steps forward are also described on the following pages.

Continued

2ND QUARTER FISCAL YEAR 2001 HIGHLIGHTS

(CONTINUED)



Most importantly, everyone on the Fluor Hanford team continues to work safely, averaging less than one lost away workday injury per 4 million hours worked over the past 15 months. Significantly, both our infrastructure and safeguards and security subcontractors have attained Voluntary Protection Program "Star" status.

In addition, we have created a Project Operations Center to better employ Fluor's commercial expertise and strengthen our project management methods. This matrix organization will provide centralized resource pools for engineering, construction, project management, project controls and estimating to support our site-wide teams.

Our expanded role as the central plateau manager and initiative to help DOE with site-wide, integrated schedules also led us to form a Central Plateau Planning and Integration group to bring together lifecycle planning activities, strategic and breakthrough initiatives and accelerated closure teams.

Vice presidents are leading both new organizations.

I believe these measures will position us for maximum performance under the terms of our new contract with the Department of Energy Richland Operations Office.

President and Chief Executive Officer

Fluor Hanford

CONTENTS HIGHLIGHTS **RESTORING** THE RIVER **CORRIDOR TRANSFORMING PLATEAU PREPARING** FOR THE **FUTURE** SUPPORT & SERVICES ENVIRONMENT, SAFETY & **HEALTH** WHAT'S NEXT? **HANFORD** SITE MAP CONTACTS PAGE 4

Tri-Party Agreement milestones achieved this quarter include the interim step of removing the dispersible mixed waste and processing equipment from B Cell in the 324 Building. Cleanout of B Cell is a key component in restoring the river corridor just north of the City of Richland. In addition, we completed the repackaging of Rocky Flats ash material at the Plutonium Finishing Plant a month ahead of the April date called for in the Tri-Party Agreement.

